

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2005-125-G

In the Matter Of)

Notice of Election of Piedmont Natural Gas)
Company, Inc. for Application of the Natural)
Gas Rate Stabilization Act to its Rates and)
Charges)

**NOTICE OF FILING OF QUARTERLY
MONITORING REPORT AND
PROPOSED RATE CHANGES**

Piedmont Natural Gas Company, Inc. ("Piedmont"), through counsel and pursuant to Sections 58-5-430 and 58-5-440 of the South Carolina Natural Gas Rate Stabilization Act ("Act"), hereby submits (1) its quarterly monitoring report for the twelve-month period ending March 31, 2008, and (2) the required revenue deficiency calculations and proposed changes to its tariff rates necessary to permit Piedmont the opportunity to earn the rate of return on common equity established in its last general rate case as specified in Section 58-5-420(1). Piedmont requests that the Public Service Commission of South Carolina ("Commission") review and accept the attached documents consistent with Sections 58-5-430 and 58-5-440 and issue an initial order approving the proposed rate changes set forth in this filing on or before October 15, 2008 in conformance with the procedures set forth in Section 58-5-455 of the Act.

In support of this filing, Piedmont respectfully shows unto the Commission as follows:

1. Any notices or other communications with respect to this matter should be sent to:

Jane Lewis-Raymond
Vice President and General Counsel
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, NC 28233
Telephone: (704) 731-4261

And

James H. Jeffries IV¹
Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
Telephone: (704) 331-1079

And

Jeremy C. Hodges
Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, South Carolina 29201
Telephone: (803) 255-9766

2. On April 25, 2005, Piedmont provided notice to the Commission of its election of the application of the terms of the Act to Piedmont's rates and charges for gas distribution services provided within the state of South Carolina. In conjunction with its election and as required by Sections 58-5-410 and 58-5-420, Piedmont requested that the Commission make findings and establish ongoing procedures as required to make prospective adjustments to Piedmont's base rates utilizing the rates, charges, revenues, expenses, capital structure, returns, and other matters established in Piedmont's most recent general rate proceeding in Docket No. 2002-63-G.

3. Consistent with its prior election for application of the Act to its rates and charges, and pursuant to the requirements of Section 58-5-430 of the Act, Piedmont has attached hereto various schedules constituting its quarterly monitoring report to the Commission for the twelve-month period ended March 31, 2008. In conformance with the requirements of Section 58-5-440 of the Act, Piedmont has also included in the schedules attached hereto the calculated revenue deficiency resulting from Piedmont's current rates. This deficiency results in a return on common equity under existing rates that is more than 90 basis points below that approved in Piedmont's last general rate case. The attached schedules also reflect proposed

¹ Mr. Jeffries has been previously admitted to practice before this Commission in this docket *pro hac vice* in conformance with the rules of the South Carolina Supreme Court.

rate revisions, calculated in conformance with the rate allocation principles approved in Piedmont's last general rate case, needed to return Piedmont's rate of return on common equity to the midpoint of the range specified by Section 58-5-420(1).

4. The Schedules attached hereto and incorporated herein by reference consist of the following:

- (1) Present Rate Schedules are incorporated herein by reference as filed in GCRM-123 effective as of the first billing cycle of June, 2008;
- (2) Proposed Rate Schedules;
- (3) Gas Plant at Original Cost;
- (4) Depreciation;
- (5) Materials and Supplies;
- (6) Cash Working Capital;
- (7) Net Operating Income and Return;
- (8) Pro Forma Revenues;
- (9) Proposed Revenues;
- (10) WNA Factors.

5. The *pro forma* revenue calculations shown on Schedule (7) indicate that \$1,953,502 in additional margin and \$3,348,587 in under-recovered demand costs is required to permit Piedmont the opportunity to earn a rate of return on equity equal to the approved rate of return on equity adopted in Docket No. 2002-63-G, Piedmont's last general rate case, and to recover one-hundred percent (100%) of its prudently incurred demand gas costs.

6. Based upon the calculations provided in Schedules (3)-(10), Piedmont proposes the changes to its tariff rates reflected in Schedule (2) hereto.

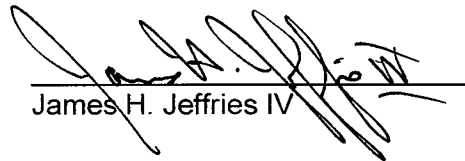
7. The rate/revenue increases proposed herein reflect a 2.4% overall increase in rates from the base rates approved in Commission Order No. 2005-745 (dated October 12, 2007).

8. Consistent with the requirements of Sections 58-5-430 and 58-5-455, Piedmont is concurrently serving copies of this filing on the Office of Regulatory Staff, all parties of record to this proceeding and any other interested party that has requested in writing to receive such filings.

WHEREFORE, Piedmont Natural Gas Company, Inc. respectfully requests that the Commission accept and review Piedmont's quarterly monitoring report for the twelve-month period ended March 31, 2008 and issue an Initial Order approving Piedmont's proposed rate adjustments on or before October 15, 2008.

Respectfully submitted, this the 13th day of June, 2008

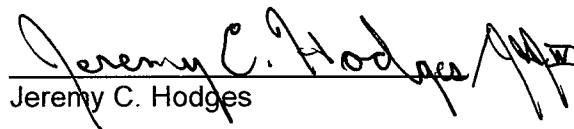
PIEDMONT NATURAL GAS COMPANY, INC.



James H. Jeffries IV

OF COUNSEL:

Moore & Van Allen PLLC
Bank of America Corporate Center
100 North Tryon Street, Suite 4700
Charlotte, North Carolina 28202-4003
(704) 331-1079



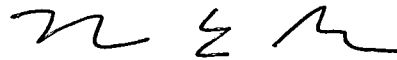
Jeremy C. Hodges

OF COUNSEL:

Nelson Mullins Riley & Scarborough, LLP
1320 Main Street, Suite 1700
Columbia, South Carolina 29201
(803) 255-9766

CERTIFICATION

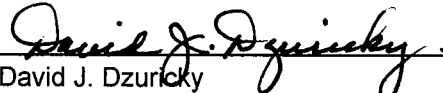
I, Thomas E. Skains and David J. Dzuricky, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains
President and CEO

6/13/08

Date Signed



David J. Dzuricky
Senior Vice President and CFO

6/13/08

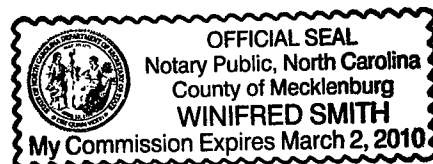
Date Signed

Subscribed and Sworn to before me this
13th day of June, 2008.



Notary Public

My Commission Expires 3/2/2010.



STATE OF NORTH CAROLINA

VERIFICATION

COUNTY OF MECKLENBURG

David Carpenter, being duly sworn, deposes and says that he is Managing Director of Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, he has read the foregoing Notice of Filing of Quarterly Monitoring Report and Proposed Rate Changes and knows the contents thereof; that the same are true of his own knowledge except as to those matters stated on information and belief and as to those he believes them to be true.

David Carpenter

Mecklenburg County, North Carolina

Signed and sworn to before me this day by David Carpenter.

Date: 6/13/08

Winifred Smith, Notary Public

(Official Seal)

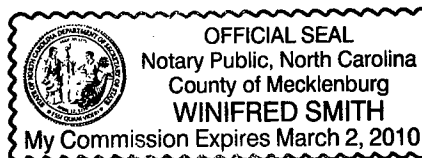
My commission expires: 3/2/2010

Sworn to and subscribed before me
this the 13th day of
June, 2008

Winifred Smith
Notary Public

My Commission Expires:

3/2/2010



Piedmont Natural Gas
Index to Schedules
Period Ended March 31, 2008

- SCHEDULE 1 - Present rate schedules are incorporated herein by reference as filed in GCRM 123 effective June, 2008.
- SCHEDULE 2 - Present and proposed rate schedules.
- SCHEDULE 3 - Gas plant at original cost.
- SCHEDULE 4 - Depreciation schedule.
- SCHEDULE 5- Materials and supplies.
- SCHEDULE 6 - Cash working capital.
- SCHEDULE 7 - Net Operating Income and Return.
- SCHEDULE 8 - Proforma revenues.
- SCHEDULE 9 - Proposed revenues.
- SCHEDULE 10 - WNA Factors.

SCHEDULE 1

**(Incorporated herein by reference as filed in GCRM 123
effective June, 2008)**

SCHEDULE 2

Piedmont Natural Gas Company
 South Carolina
 Present and Proposed Rates
 March 31, 2008

		Present Rates	Proposed Rates
201	Residential - Value		
	Monthly Charge-Winter	10.00	10.00
	Monthly Charge-Summer	8.00	8.00
	Winter (Nov.-Mar.) Per Therm	1.30550	1.32581
	Summer (Apr.-Oct.) Per Therm	1.25705	1.27540
221	Residential - Standard		
	Monthly Charge-Winter	10.00	10.00
	Monthly Charge-Summer	8.00	8.00
	Winter (Nov.-Mar.) Per Therm	1.49936	1.55235
	Summer (Apr.-Oct.) Per Therm	1.49355	1.55893
205	Gas Lights - Unmetered		
	Monthly Charge Per Fixture	15.00	15.00
206	Emergency Service		
	Emergency Service Per Therm	\$1.00 + gas cost	\$1.00 + gas cost
	Unauthorized Over Run Penalty Per Therm	\$2.50 + gas cost	\$2.50 + gas cost
202	Small General Service-Standard		
	Monthly Charge	22.00	22.00
	Winter (Nov.-Mar.) Per Therm	1.40248	1.44705
	Summer (Apr.-Oct.) Per Therm	1.36744	1.40598
232	Small General Service-Value		
	Monthly Charge	22.00	22.00
	Winter (Nov.-Mar.) Per Therm		
	First 2,000	1.34392	1.37760
	Over 2,000	1.31436	1.34368
	Summer (Apr.-Oct.) Per Therm		
	First 2,000	1.24756	1.26837
	Over 2,000	1.22053	1.23734
252	Medium General Service-Standard		
	Monthly Charge	75.00	75.00
	Winter (Nov.-Mar.) Per Therm	1.39175	1.41926
	Summer (Apr.-Oct.) Per Therm	1.34216	1.36642
262	Medium General Service-Value		
	Monthly Charge	75.00	75.00
	Winter (Nov.-Mar.) Per Therm		
	First 5,000	1.31333	1.33868
	Over 5,000	1.27838	1.30029
	Summer (Apr.-Oct.) Per Therm		
	First 5,000	1.21849	1.23365
	Over 5,000	1.19385	1.20568

Piedmont Natural Gas Company
 South Carolina
 Present and Proposed Rates
 March 31, 2008

		Present Rates	Proposed Rates
242	General Service-Motor Fuel		
	Monthly Charge	22.00	22.00
	Winter (Nov.-Mar.) Per Therm	1.08849	1.13572
	Summer (Apr.-Oct.) Per Therm	1.09588	1.15029
203	Large General Service		
	Monthly Charge	250.00	250.00
	Billing Demand Per Therm	1.90000	1.90000
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	1.12679	1.15830
	Next 15,000	1.05724	1.08420
	Next 75,000	1.00943	1.04770
	Next 165,000	0.95225	0.95225
	Next 330,000	0.89693	0.89693
	Over 600,000	0.86836	0.86836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	1.03916	1.05512
	Next 15,000	0.99073	1.00665
	Next 75,000	0.97307	1.02192
	Next 165,000	0.93368	0.93368
	Next 330,000	0.89193	0.89193
	Over 600,000	0.86836	0.86836
204	Interruptible Service		
	Monthly Charge	250.00	250.00
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	1.18977	1.25105
	Next 15,000	1.12153	1.18059
	Next 75,000	1.07746	1.13167
	Next 165,000	1.00530	1.16037
	Next 330,000	0.99537	0.99537
	Over 600,000	0.90836	0.90836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	1.05078	1.07271
	Next 15,000	1.00288	1.02362
	Next 75,000	0.97418	0.99700
	Next 165,000	0.94359	0.96632
	Next 330,000	0.90693	0.90693
	Over 600,000	0.87836	0.87836

Piedmont Natural Gas Company
 South Carolina
 Present and Proposed Rates
 March 31, 2008

		Present Rates	Proposed Rates
213	Large General Service		
	Monthly Charge	250.00	250.00
	Standby Demand Per Therm	1.30000	1.30000
	Billing Demand Per Therm	0.60000	0.60000
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	0.25629	0.26226
	Next 15,000	0.19003	0.19483
	Next 75,000	0.14306	0.14841
	Next 165,000	0.10225	0.10225
	Next 330,000	0.04693	0.04693
	Over 600,000	0.01836	0.01836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	0.18374	0.19351
	Next 15,000	0.13587	0.14460
	Next 75,000	0.10775	0.11964
	Next 165,000	0.08092	0.08092
	Next 330,000	0.04193	0.04193
	Over 600,000	0.01836	0.01836
214	Interruptible Service		
	Monthly Charge	250.00	250.00
	Winter (Nov.-Mar.) Per Therm		
	First 15,000	0.25616	0.26101
	Next 15,000	0.18984	0.19336
	Next 75,000	0.14216	0.14413
	Next 165,000	0.09447	0.09540
	Next 330,000	0.04740	0.04805
	Over 600,000	0.01836	0.01836
	Summer (Apr.-Oct.) Per Therm		
	First 15,000	0.18339	0.19181
	Next 15,000	0.13532	0.14160
	Next 75,000	0.10597	0.11007
	Next 165,000	0.07640	0.07854
	Next 330,000	0.06628	0.06228
	Over 600,000	0.01836	0.01836

SCHEDULE 3

Schedule 3

Piedmont Natural Gas Company
Original Cost of Property Used and Useful
in Public Service in South Carolina
March 31, 2008

<u>Line No.</u>	<u>Title of Account</u>	
1	Intangible Plant	\$146,199
2	Production Plant	214,725
3	Local Storage Plant	6,270,525
4	Transmission Plant	40,101,805
5	Distribution Plant	297,102,331
6	General Plant	<u>28,694,880</u>
7	Total	<u>\$372,530,464</u>

SCHEDULE 4

Piedmont Natural Gas Company
 South Carolina Operations
 Accumulated Depreciation, Depreciation Policy and Rates
March 31, 2008

Accumulated Depreciation

Per books as of March 31, 2008

\$139,772,389

Depreciation Policy

Piedmont computes depreciation expense monthly using the straight-line method applied to end-of-the-month depreciable costs.

The Company began booking depreciation expense at the depreciation rates recommended in a depreciation study performed in 2005. These depreciation rates were approved as a result of the Commission's findings in Docket No. 2005-125-G, Order No. 2005-567.

Piedmont allocates depreciation expense on the LNG plant located in North Carolina between South Carolina and North Carolina on the basis of design-day demand during the test period. We allocate depreciation expense on other jointly-used property between South Carolina, North Carolina and Tennessee or between South Carolina and North Carolina only, on the basis of net plant depending upon the actual usage of the property.

Piedmont computes depreciation expense on transportation equipment over estimated useful lives after deducting from the original cost an estimated salvage value of 25% for passenger cars and 20% for trucks and heavy equipment.

Depreciation Rates

Based on plant in service as of March 31, 2008, the current composite depreciation rates are:

Intangible Plant	20.00%
Production Plant	2.62%
Local Storage Plant	1.91%
Transmission Plant	2.10%
Distribution Plant	3.01%
General Plant	9.59%

SCHEDULE 5

Schedule 5

Piedmont Natural Gas Company
South Carolina Operations
Average Materials and Supplies
March 31, 2008

Line
No.

1	Operating and Construction Supplies (a)	\$576,845
2	Natural Gas Stored (b)	<u>20,472,325</u>
3	Total	<u>\$21,049,170</u>

(a) Includes Materials Distribution Center inventory allocated to South Carolina on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property as of March 31, 2008 (15.41% to SC).

(b) Allocated to South Carolina on the basis of design day in South Carolina and North Carolina for the twelve months ended March 31, 2008 (16.16% to SC).

SCHEDULE 6

Piedmont Natural Gas Company
South Carolina Operations
Cash Working Capital
March 31, 2008

Line
No.

1	One-Eighth (12.5%) of Operations and Maintenance Expenses	\$3,752,830
2	Cash Working Funds (a)	36,811
3	Prepayments (b)	308,112
4	Average Tax Accruals (deduct)	<u>(2,576,745)</u>
5	Total	<u>\$1,521,008</u>

(a) A portion allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2008 (12.89% to SC) and a portion on the ratio of South Carolina net plant before joint property to total South Carolina and North Carolina net plant before joint property (15.41% to SC).

(b) Allocated to South Carolina on the ratio of South Carolina net plant before joint property to total net plant before joint property as of March 31, 2008 (12.89% to SC).

SCHEDULE 7

Piedmont Natural Gas Company
South Carolina Operations
Updated Net Operating Income and Rate of Return
For the Twelve Months Ended March 31, 2008

	(1) Per Books	(2) Accounting and Pro Forma Adjustments	(3) After Accounting and Pro Forma Adjustments	(4) Adjustments for Proposed Margin	(5) Adjustments for Demand Cost Under-Recovery	(6) After Adjustments for Proposed Rates
<u>Operating Revenues</u>						
1 Sale and Transportation of Gas	206,032,090	\$ 16,285,399 (1)	\$222,317,489	\$ 1,953,502 (11)	\$3,348,587 (16)	\$227,619,578
2 Other Operating Revenues	1,008,185	0	1,008,185			1,008,185
3 Total Operating Revenues	207,040,275	16,285,399	223,325,674	1,953,502	3,348,587	228,627,763
<u>Operating Expenses</u>						
4 Cost of Gas	132,492,666	13,460,456 (2)	145,953,122		3,330,837 (17)	149,283,958
5 Operations and Maintenance	30,022,641	(419,264) (3)	29,603,377	10,410 (12)	17,750 (18)	29,631,537
6 Depreciation	11,534,194	491,751 (4)	12,025,946			12,025,946
7 General Taxes	5,424,004	550,548 (5)	5,974,553			5,974,553
8 State Income Taxes	977,048	190,975 (6)	1,168,023	97,155 (13)		1,265,178
9 Federal Income Taxes	6,761,503	982,727 (7)	7,744,229	645,849 (14)		8,390,078
10 Amortization of Investment Tax Credits	(58,764)		(58,764)			(58,764)
11 Total Operating Expenses	187,153,292	15,257,194	202,410,486	,753,414	3,348,587	206,512,486
12 Net Operating Income	19,886,983	1,028,205	20,915,188	1,200,089	0	22,115,277
13 Interest on Customers' Deposits	(130,485)		(130,485)			(130,485)
14 Amortization of Debt Redemption Premium	(14,673)	334 (8)	(14,339)			(14,339)
15 Allowance for Funds Used During Construction	222,677		222,677			222,677
16 Customer Growth	106,685	5,551 (9)	112,236	6,480 (15)		118,717
17 Net Operating Income for Return	20,071,188	\$1,034,090	\$21,105,278		\$0	\$22,311,847
<u>Original Cost Rate Base</u>						
18 Plant in Service	372,530,464		\$372,530,464			\$372,530,464
19 Accumulated Depreciation	(139,772,389)		(139,772,389)			(139,772,389)
20 Net Plant in Service	232,758,075		232,758,075			232,758,075
Add:						
21 Construction Work in Progress	4,773,647		4,773,647			4,773,647
22 Materials and Supplies	21,049,170		21,049,170			21,049,170
23 Cash Working Capital	1,521,008	(52,408) (10)	1,468,601			1,468,601
Deduct:						
24 Customers' Advances	0		0			0
25 Customers' Deposits	4,169,068		4,169,068			4,169,068
26 Accumulated Deferred Income Taxes	36,049,549		36,049,549			36,049,549
27 Unclaimed Funds	,366,316		366,316			366,316
28 Original Cost Rate Base	219,516,969	(\$52,408)	219,464,561			219,464,561
<u>Rate of Return</u>						
29 On Original Cost Rate Base	9.14%		9.62%			10.17%

Piedmont Natural Gas Company
South Carolina Operations
Return on Common Equity and Original
Cost Net Investment
For the Twelve Months Ended March 31, 2008

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			After Accounting and Pro Forma Adjustments					
	<u>Per Books</u>	<u>Accounting and Pro Forma Adjustments</u>	<u>Adjusted Capitalization</u>	<u>Ratio</u>	<u>Cost Net Investment</u>	<u>Embedded Cost</u>	<u>Overall Cost Rate</u>	<u>Net Operating Income</u>
1 Long-Term Debt	814,365,193	(\$60,265,199)	\$754,099,994	42.77%	\$93,864,993	6.91%	2.96%	\$6,486,071
2 Common Equity	<u>948,786,535</u>	<u>60,265,199</u>	<u>\$1,009,051,734</u>	<u>57.23%</u>	<u>125,599,568</u>	11.64%	<u>6.66%</u>	<u>14,619,207</u>
3 Total	<u>1,763,151,728</u>	<u>\$0</u>	<u>\$1,763,151,728</u>	<u>100.00%</u>	<u>\$219,464,561</u>		<u>9.62%</u>	<u>\$21,105,278</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008

Schedule 7
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Line
No.

1	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenues to the going-level basis.	<u>\$ 16,285,399</u>
2	<u>Cost of Gas</u> To increase cost of gas to the going-level basis.	<u>\$ 13,460,456</u>
3	<u>Operations and Maintenance Expenses</u>	
	A To decrease payroll costs to the going-level basis.	(\$373,143)
	B To decrease expenses for the salary and payroll investment plans.	55,254
	D To decrease expenses for pension costs.	(462,945)
	E To decrease expenses for the provision for uncollectible accounts to reflect actual net write-offs over a three-year period.	(78,401)
	F To decrease expenses for allocations to non-utility activities.	(26,086)
	G To increase expenses for the long-term incentive plan.	318,194
	H To increase expenses for the short-term incentive plan.	6,691
	I To decrease expenses for the MVP incentive plan.	(23,594)
	J To increase expenses for group insurance for projected costs increases.	101,900
	K To increase expenses for Piedmont Town Center lease.	3,505
	L To decrease expenses for the South Carolina assessment fee.	(8,660)
	M To decrease expenses for non-allowables for ratemaking purposes.	(137,655)
	N To increase expense for amortization of early retirement incentive	149,759
	O To increase expense for IT projects	55,917
	Total	<u>(\$419,264)</u>
4	<u>Depreciation Expense</u> To increase depreciation expense to the going-level basis using recently completed depreciation study rates.	<u>491,751</u>
5	<u>General Taxes</u>	
	A To increase property taxes to the going-level basis.	\$ 643,372
	B To decrease payroll taxes to the going-level basis.	(92,824)
	Total	<u>\$ 550,548</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008

Schedule 7
Page 4 of 5

Line
No.

6	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) following a computation after accounting and pro forma adjustments.	<u>190,975</u>
7	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) following a computation after accounting and pro forma adjustments.	<u>982,727</u>
8	<u>Amortization of Debt Redemption Premium</u> To increase net operating income for amortization of debt redemption premium.	<u>334</u>
9	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .54%) following the adjustments to operating revenues and expenses.	<u>5,551</u>
10	<u>Cash Working Capital</u> To decrease cash working capital following the pro forma adjustments to operations and maintenance expenses (rate of 12.5%).	<u>(52,408)</u>
11	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas associated with the demand cost under-recovery.	<u>\$ 1,953,502</u>
12	<u>Operations and Maintenance Expenses</u>	
A	To increase the provision for uncollectible accounts (rate of .23360%) following the adjustment to operating revenues.	\$ 4,563
B	To increase the utility license fee (rate of .30%) following the adjustment to operating revenues.	<u>\$5,847</u>
	Total	<u>\$10,410</u>

Piedmont Natural Gas Company
South Carolina Operations
Accounting and Pro Forma Adjustments
Twelve Months Ended March 31, 2008

Schedule 7
Page 5 of 5

Line
No.

13	<u>State Income Taxes</u> To increase state income taxes (rate of 5%) following the adjustments to operating revenues and expenses.	<u>97,155</u>
14	<u>Federal Income Taxes</u> To increase federal income taxes (rate of 35%) following the adjustments to operating revenues, expenses and state income taxes.	<u>645,849</u>
15	<u>Customer Growth</u> To increase net operating income to reflect anticipated customer growth (rate of .54%) following the adjustments to operating revenues and expenses.	<u>\$6,480</u>
16	<u>Operating Revenues - Sale and Transportation of Gas</u> To increase revenue requirement for the sale and transportation of gas associated with the demand cost under-recovery.	<u>\$ 3,348,587</u>
17	<u>Cost of Gas</u> To increase cost of gas for the demand cost under-recovery.	<u>\$ 3,330,837</u>
18	<u>Operations and Maintenance Expenses</u>	
A	To increase the provision for uncollectible accounts (rate of .23360%) following the adjustment to operating revenues.	\$7,781
B	To increase the utility license fee (rate of .30%) following the adjustment to operating revenues.	<u>\$9,969</u>
	Total	<u>\$17,750</u>

SCHEDULE 8

PIEDMONT NATURAL GAS COMPANY, INC.

PRO FORMA REVENUE CALCULATIONS

Page 1 of 3

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Total Rates (7)	Proforma Revenue (8)
Residential Service - Value 201						
Bills - Winter	230,773			230,773	10.00	\$2,307,730
Bills - Summer	358,310			358,310	8.00	\$2,866,480
DTs - Winter	2,335,514	385,529	2,721,043		\$13.0550	\$35,523,216
DTs - Summer	922,340	114,211	1,036,551		\$12.5705	\$13,029,965
Residential Service - Standard 221						
Bills - Winter	351,412			351,412	10.00	\$3,514,120
Bills - Summer	436,288			436,288	8.00	\$3,490,304
DTs - Winter	2,640,992	478,422	3,119,414		\$14.9936	\$46,771,246
DTs - Summer	514,351	126,244	640,595		\$14.9355	\$9,567,607
<u>TOTAL RESIDENTIAL</u>						
Bills	1,376,783			1,376,783		
DT's	6,413,198	1,104,405	7,517,603			\$117,070,668
Small General Service - Standard 202						
Bills	118,196			118,196	\$22.00	\$2,600,312
DTs - Winter	1,476,519	288,045	1,764,564		\$14.0248	\$24,747,653
DTs - Summer	277,103	72,914	350,018		\$13.6744	\$4,786,282
Small General Service - Value 232						
Bills	49,167			49,167	\$22.00	\$1,081,674
First 200	997,917	87,877	1,085,794		\$13.4392	\$14,592,202
<u>Over 200</u>	<u>246,174</u>	<u>21,678</u>	<u>267,852</u>		\$13.1436	\$3,520,544
DTs - Winter	1,244,091	109,555	1,353,646			
First 200	1,021,210	11,543	1,032,753		\$12.4756	\$12,884,210
<u>Over 200</u>	<u>121,244</u>	<u>1,370</u>	<u>122,615</u>		\$12.2053	\$1,496,548
DTs - Summer	1,142,454	12,913	1,155,367			
Medium General Service - Standard 252						
Bills	269			269	\$75.00	\$20,175
DTs - Winter	132,961	20,023	152,983		\$13.9175	\$2,129,145
DTs - Summer	31,453	8,196	39,649		\$13.4216	\$532,154
Medium General Service - Value 262						
Bills	1,158			1,158	\$75.00	\$86,850
First 500	214,225	9,137	223,362		\$13.1333	\$2,933,474
<u>Over 500</u>	<u>256,856</u>	<u>10,955</u>	<u>267,812</u>		\$12.7838	\$3,423,650
DTs - Winter	471,081	20,092	491,173			
First 500	260,096	6,823	266,919		\$12.1849	\$3,252,380
<u>Over 500</u>	<u>220,768</u>	<u>5,791</u>	<u>226,560</u>		\$11.9385	\$2,704,782
DTs - Summer	480,864	12,615	493,479			

PIEDMONT NATURAL GAS COMPANY, INC.

SCHEDULE 8

PRO FORMA REVENUE CALCULATIONS

Page 2 of 3

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Total Rates (7)	Proforma Revenue (8)
Rate Schedule						
Small General Service - Motor Fuel 242						
Bills	24			24	\$22.00	\$528
DTs - Winter	840		840		\$10.8849	\$9,148
DTs - Summer	1,440		1,440		\$10.9588	\$15,782
<u>TOTAL COMMERCIAL</u>						
Bills	168,814			168,814		
DT's	5,258,807	544,352	5,803,160			
						\$80,817,493

Large General Service - Sales 203

Bills	141			141	\$250.00	\$35,250
Demand DT'S	22,548			22,548	\$19.00000	\$428,412
First 1,500	82,509	0	82,509		\$11.2679	\$929,698
Next 1,500	46,885	0	46,885		\$10.5724	\$495,691
Next 7,500	24,535	0	24,535		\$10.0943	\$247,662
Next 16,500	0	1	0		\$9.5225	\$0
Next 33,000	0	0	0		\$8.9693	\$0
Over 60,000	0	0	0		\$8.6836	\$0
DTs - Winter	153,929		153,929			
First 1,500	92,749	0	92,749		\$10.3916	\$963,814
Next 1,500	34,031	0	34,031		\$9.9073	\$337,152
Next 7,500	5,913	0	5,913		\$9.7307	\$57,542
Next 16,500	0	0	0		\$9.3368	\$0
Next 33,000	0	0	0		\$8.9193	\$0
Over 60,000	0	0	0		\$8.6836	\$0
DTs - Summer	132,693		132,693			

Large General Service - Transportation 213

Bills	494			494	\$250.00	\$123,500
Demand DT'S	84,312			84,312	\$6.00000	\$505,872
Standby DT's				-	\$13.00000	\$0
First 1,500	272,042	0	272,042		\$2.5629	\$697,217
Next 1,500	188,071	0	188,071		\$1.9003	\$357,391
Next 7,500	148,596	0	148,596		\$1.4306	\$212,582
Next 16,500	222	0	222		\$1.0225	\$227
Next 33,000	0	0	0		\$0.4693	\$0
Over 60,000	0	0	0		\$0.1836	\$0
DTs - Winter	608,931		608,931			
First 1,500	380,793	0	380,793		\$1.8374	\$699,669
Next 1,500	223,420	0	223,420		\$1.3587	\$303,561
Next 7,500	142,701	0	142,701		\$1.0775	\$153,761
Next 16,500	0	0	0		\$0.8092	\$0
Next 33,000	0	0	0		\$0.4193	\$0
Over 60,000	0	0	0		\$0.1836	\$0
DTs - Summer	746,914		746,914			

PIEDMONT NATURAL GAS COMPANY, INC.

SCHEDULE 8

PRO FORMA REVENUE CALCULATIONS

Page 3 of 3

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Total Rates (7)	Proforma Revenue (8)
Interruptible Service - Sales 204						
Bills	243			243	\$250.00	\$60,750
First 1,500	125,507	0	125,507		\$11.8977	\$1,493,249
Next 1,500	88,651	0	88,651		\$11.2153	\$994,248
Next 7,500	137,224	0	137,224		\$10.7746	\$1,478,530
Next 16,500	11,643	0	11,643		\$10.0530	\$117,051
Next 33,000	0	1	0		\$9.9537	\$0
Over 60,000	0	0	0		\$9.0836	\$0
DTs - Winter	363,026	1	363,026			
First 1,500	172,859	0	172,859		\$10.5078	\$1,816,367
Next 1,500	107,942	0	107,942		\$10.0288	\$1,082,532
Next 7,500	131,319	0	131,319		\$9.7418	\$1,279,282
Next 16,500	27,003	0	27,003		\$9.4359	\$254,798
Next 33,000	0	0	0		\$9.0693	\$0
Over 60,000	0	0	0		\$8.7836	\$0
DTs - Summer	439,123		439,123			
Interruptible Service - Transportation 214						
Bills	651			651	\$250.00	\$162,750
First 1,500	387,232	0	387,232		\$2.5616	\$991,935
Next 1,500	317,814	0	317,814		\$1.8984	\$603,338
Next 7,500	679,057	0	679,057		\$1.4216	\$965,347
Next 16,500	271,762	0	271,762		\$0.9447	\$256,734
Next 33,000	27,966	0	27,966		\$0.4740	\$13,256
Over 60,000	0	0	0		\$0.1836	\$0
DTs - Winter	1,683,831		1,683,831			
First 1,500	531,893	0	531,893		\$1.8339	\$975,438
Next 1,500	408,392	0	408,392		\$1.3532	\$552,636
Next 7,500	783,557	0	783,557		\$1.0597	\$830,335
Next 16,500	270,508	0	270,508		\$0.7640	\$206,668
Next 33,000	0	0	0		\$0.6228	\$0
Over 60,000	0	0	0		\$0.1836	\$0
DTs - Summer	1,994,350	0	1,994,350			
<u>TOTAL INDUSTRIAL</u>						
Bills	1,529			1,529		
Demand	106,860			106,860		
DT's	6,122,797	1	6,122,797			
						\$20,684,245
Outdoor Gaslight Service - Rate 205						
Fixtures	48		48		\$15.00	\$720
DTs - Winter	16		16			
DTs - Summer	22		22			
Annual Revenues From Special Contracts						\$ 3,744,363
TOTAL BILLS	1,547,126			1,547,126		
TOTAL WINTER	11,111,731	1,301,666	12,413,396			
TOTAL SUMMER	6,683,109	347,093	7,030,202			
ANNUAL TOTAL	17,794,840	1,648,759	19,443,598		REVENUE	\$222,317,489

SCHEDULE 9

PIEDMONT NATURAL GAS COMPANY, INC.
PRO FORMA REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Proforma Dekatherms (5)	Proforma Bills (6)	Proposed Rate	Proposed Revenue
Residential Service - Value 201						
Bills - Winter	230,773			230,773	\$ 10.00	\$ 2,307,730
Bills - Summer	358,310			358,310	\$ 8.00	\$ 2,866,480
DTs - Winter	2,335,514	385,529	2,721,043		13.2581	36,075,860
DTs - Summer	922,340	114,211	1,036,551		12.7540	13,220,173
Residential Service - Standard 221						
Bills - Winter	351,412			351,412	\$ 10.00	\$ 3,514,120
Bills - Summer	436,288			436,288	\$ 8.00	\$ 3,490,304
DTs - Winter	2,640,992	478,422	3,119,414		15.5235	48,424,223
DTs - Summer	514,351	126,244	640,595		15.5893	9,986,428
TOTAL RESIDENTIAL						
Bills	1,376,783			1,376,783		
DT's	6,413,198	1,104,405	7,517,603			\$119,885,317
Small General Service - Standard 202						
Bills	118,196			118,196	\$ 22.00	2,600,312
DTs - Winter	1,476,519	288,045	1,764,564		14.4705	25,534,119
DTs - Summer	277,103	72,914	350,018		14.0598	4,921,179
Small General Service - Value 232						
Bills	49,167			49,167	\$ 22.00	1,081,674
First 200	997,917	87,877	1,085,794		13.7760	14,957,898
Over 200	<u>246,174</u>	<u>21,678</u>	<u>267,852</u>		13.4368	3,599,078
DTs - Winter	1,244,091	109,555	1,353,646			
First 200	1,021,210	11,543	1,032,753		12.6837	13,099,126
Over 200	<u>121,244</u>	<u>1,370</u>	<u>122,615</u>		12.3734	1,517,160
DTs - Summer	1,142,454	12,913	1,155,367			
Medium General Service - Standard 252						
Bills	269			269	\$ 75.00	20,175
DTs - Winter	132,961	20,023	152,983		14.1926	2,171,231
DTs - Summer	31,453	8,196	39,649		13.6642	541,773
Medium General Service - Value 262						
Bills	1,158			1,158	\$ 75.00	86,850
First 500	214,225	9,137	223,362		13.3868	2,990,096
Over 500	<u>256,856</u>	<u>10,955</u>	<u>267,812</u>		13.0029	3,482,327
DTs - Winter	471,081	20,092	491,173			
First 500	260,096	6,823	266,919		12.3365	3,292,845
Over 500	<u>220,768</u>	<u>5,791</u>	<u>226,560</u>		12.0568	2,731,584
DTs - Summer	480,864	12,615	493,479			
Small General Service - Motor Fuel 242						
Bills	24			24	\$ 22.00	528
DTs - Winter	840		840		11.3572	9,545
DTs - Summer	1,440		1,440		11.5029	16,565

PIEDMONT NATURAL GAS COMPANY, INC.
PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Rate	Proposed Revenue
Rate Schedule	(1)	(2)	(5)	(6)		
<u>TOTAL COMMERCIAL</u>						
Bills	168,814			168,814		
DT's	5,258,807	544,352	5,803,160			\$82,654,065
Large General Service - Sales 203						
Bills	141			141	\$ 250.00	35,250
Demand DT'S	22,548			22,548	\$ 19.00	428,412
First 1,500	82,509	0	82,509		11.5830	955,696
Next 1,500	46,885	0	46,885		10.8420	508,332
Next 7,500	24,535	0	24,535		10.4770	257,051
Next 16,500	0	1	0		9.5225	-
Next 33,000	0	0	0		8.9693	-
<u>Over 60,000</u>	0	0	0		8.6836	-
DTs - Winter	153,929		153,929			
First 1,500	92,749	0	92,749		10.5512	978,616
Next 1,500	34,031	0	34,031		10.0665	342,570
Next 7,500	5,913	0	5,913		10.2192	60,430
Next 16,500	0	0	0		9.3368	-
Next 33,000	0	0	0		8.9193	-
<u>Over 60,000</u>	0	0	0		8.6836	-
DTs - Summer	132,693		132,693			
Large General Service - Transportation 213						
Bills	494			494	\$ 250.00	123,500
Demand DT'S	84,312			84,312	\$ 6.00	505,872
Standby DT's				-	\$ 13.00	0
First 1,500	272,042	0	272,042		2.6226	713,458
Next 1,500	188,071	0	188,071		1.9483	366,418
Next 7,500	148,596	0	148,596		1.4841	220,532
Next 16,500	222	0	222		1.0225	227
Next 33,000	0	0	0		0.4693	-
<u>Over 60,000</u>	0	0	0		0.1836	-
DTs - Winter	608,931		608,931			
First 1,500	380,793	0	380,793		1.9351	736,873
Next 1,500	223,420	0	223,420		1.4460	323,065
Next 7,500	142,701	0	142,701		1.1964	170,728
Next 16,500	0	0	0		0.8092	-
Next 33,000	0	0	0		0.4193	-
<u>Over 60,000</u>	0	0	0		0.1836	-
DTs - Summer	746,914		746,914			
Interruptible Service - Sales 204						
Bills	243			243	\$ 250.00	60,750
First 1,500	125,507	0	125,507		12.5105	1,570,160
Next 1,500	88,651	0	88,651		11.8059	1,046,605
Next 7,500	137,224	0	137,224		11.3167	1,552,919
Next 16,500	11,643	0	11,643		11.6037	135,107
Next 33,000	0	1	0		9.9537	-
<u>Over 60,000</u>	0	0	0		9.0836	-
DTs - Winter	363,026	1	363,026			
First 1,500	172,859	0	172,859		10.7271	1,854,275
Next 1,500	107,942	0	107,942		10.2362	1,104,919
Next 7,500	131,319	0	131,319		9.9700	1,309,249
Next 16,500	27,003	0	27,003		9.6632	260,935
Next 33,000	0	0	0		9.0693	-
<u>Over 60,000</u>	0	0	0		8.7836	-
DTs - Summer	439,123		439,123			

PIEDMONT NATURAL GAS COMPANY, INC.
PRO FORMA REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Rate	Proposed Revenue
Rate Schedule	(1)	(2)	(5)	(6)		
Interruptible Service - Transportation 214						
Bills	651			651	\$ 250.00	162,750
First 1,500	387,232	0	387,232		2.6101	1,010,715
Next 1,500	317,814	0	317,814		1.9336	614,525
Next 7,500	679,057	0	679,057		1.4413	978,724
Next 16,500	271,762	0	271,762		0.9540	259,261
Next 33,000	27,966	0	27,966		0.4805	13,437
Over 60,000	0	0	0		0.1836	-
DTs - Winter	1,683,831		1,683,831			
First 1,500	531,893	0	531,893		1.9181	1,020,223
Next 1,500	408,392	0	408,392		1.4160	578,283
Next 7,500	783,557	0	783,557		1.1007	862,461
Next 16,500	270,508	0	270,508		0.7854	212,457
Next 33,000	0	0	0		0.6228	-
Over 60,000	0	0	0		0.1836	-
DTs - Summer	1,994,350	0	1,994,350			
<u>TOTAL INDUSTRIAL</u>						
Bills	1,529			1,529		
Demand	106,860			106,860		
DT's	6,122,797	1	6,122,797			
						\$21,334,787
Outdoor Gaslight Service - Rate 205						
Fixtures	48		48		15.0000	720
DTs - Winter	16		16			
DTs - Summer	22		22			
Annual Revenues From Special Contracts						3,744,363
TOTAL BILLS	1,547,126			1,547,126		
TOTAL WINTER	11,111,731	1,301,666	12,413,396			
TOTAL SUMMER	6,683,109	347,093	7,030,202			
ANNUAL TOTAL	17,794,840	1,648,759	19,443,598			\$227,619,252

SCHEDULE 10

Piedmont Natural Gas Company
 South Carolina
 March 31, 2008

SCHEDULE 10

WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential						
Value Rate	1.32581	0.02437	0.86836	0.43308	0.18259	15.88790
Standard Rate	1.55235	0.25091	0.86836	0.43308	0.15226	3.56761
Commercial						
Rate 202	1.44705	0.23205	0.86836	0.34664	0.62719	4.93945
Rate 232						
First 2,000 therms	1.37760	0.16260	0.86836	0.34664	0.50739	370.66061
Over 2,000 therms	1.34368	0.12868	0.86836	0.34664	0.50739	370.66061
Rate 252	1.41926	0.20426	0.86836	0.34664	21.58844	1108.34547
Rate 262						
first 5,000 therms	1.33868	0.12368	0.86836	0.34664	5.87832	6887.02922
over 5,000 therms	1.30029	0.08529	0.86836	0.34664	5.87832	6887.02922

CERTIFICATE OF SERVICE

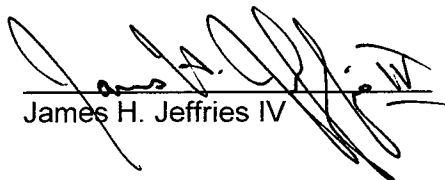
The undersigned hereby certifies that five copies of the attached Notice are being served this date via overnight delivery upon:

Office of Regulatory Staff
1441 Main Street
Suite 300
Columbia, South Carolina

And that one copy of the attached Notice is being served this date on the other parties to this proceeding by U.S. Mail addressed as follows:

Scott Elliott
South Carolina Energy Users Committee
Elliott & Elliott, P.A.
721 Olive Street
Columbia, South Carolina 29205

This the 13th day of June, 2008.



James H. Jeffries IV